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FOUR MIAMI HEALTH CARE COMPANY OWNERS SENTENCED TO 57 MONTHS IN PRISON FOR MEDICARE FRAUD

WASHINGTON – Four members of the same family, who owned and operated a series of Miami Durable Medicare Equipment companies and Comprehensive Outpatient Rehabilitation Facilities have each been sentenced to 57 months in prison for Medicare fraud, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney R. Alexander Acosta of the Southern District of Florida announced today.

Carlos Berenguer, 61, Ivan Aguera, 34, Aristides Berenguer, 64, and Robert Berenguer, 58, were sentenced yesterday by U.S. District Judge Jose Martinez in Miami. Judge Martinez also ordered each of the four defendants to pay over \$1.4 million in restitution for the money they received in false claims. All four defendants pleaded guilty to all charged counts in March 2007.

Brothers Carlos and Aristides Berenguer owned and operated Select Medical Equipment Inc., while another brother, Robert Berenguer, owned and operated Professional Medical Equipment, Inc. Carlos Berenguer's step-son, Ivan Aguera, owned and operated Palm Medical Equipment. Through these companies, the four defendants recruited and paid cash to Medicare patients to participate in schemes to defraud Medicare. These schemes involved the submission of false claims to Medicare for unnecessary oxygen concentrators and "compounded" aerosol medications. Compounding refers to the process of a pharmacist making medication as opposed to it being made by a pharmaceutical manufacturer.

None of the four defendants owned a pharmacy capable of billing Medicare for drugs, so they conspired with the owners of Miami pharmacies to refer patients in exchange for half of what Medicare paid for aerosol drugs. From 2001 to 2003, the Berenguers and Aguera were responsible for Medicare paying over \$1.4 million based on false claims. Another family member, Ricardo Aguera, a.k.a. Pichi, who owned three Miami health care companies, was sentenced to 121 months in prison following a week-long jury trial in March of 2007.

The compounding aerosol scheme was one of the most common health care frauds in south Florida. In 2006, the Medicare program paid for over \$155 million worth of aerosol medications in Miami-Dade County, making it the single most common item billed to Medicare Part B. From 2005 to 2006, claims for these aerosol medications increased over 100 percent. In

addition, according to Medicare data, Miami-Dade County alone accounted for more paid DME claims than every state in the country except California, Texas, New York, Michigan and Ohio.

The case was prosecuted by Deputy Chief Kirk Ogrosky and Trial Attorney Jeffrey Neiman from the Fraud Section of the Criminal Division, with the investigative assistance of the U.S. Department of Health and Human Services, Office of the Inspector General, the FBI, and the Medicaid Fraud Control Unit of the Florida Attorney General's Office.

Since beginning operations in March of 2007, the strike force teams have indicted 120 defendants in Miami-Dade County alone. The strike force teams are led by a federal prosecutor supervised by both the Criminal Division's Fraud Section in Washington and the U.S. Attorney's Office of the Southern District of Florida.

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